

## Federal Acquisition Regulation

53.301-1435

## 53.301-1435 Settlement Proposal (Inventory Basis).

SETTLEMENT PROPOSAL (INVENTORY BASIS)				OMB No.: 9000-0012 Expires: 05/31/98		
<small>Public reporting burden for this collection of information is estimated to average 2.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretariat (MVR), Federal Acquisition Policy Division, GSA, Washington, DC 20405.</small>						
<b>FOR USE BY A FIXED-PRICE PRIME CONTRACTOR OR FIXED-PRICE SUBCONTRACTOR</b>						
THIS PROPOSAL APPLIES TO (Check one) <input type="checkbox"/> A PRIME CONTRACT WITH THE GOVERNMENT <input type="checkbox"/> SUBCONTRACT OR PURCHASE ORDER NO(S).			COMPANY			
			STREET ADDRESS			
CONTRACTOR WHO SENT NOTICE OF TERMINATION			CITY AND STATE (Include ZIP Code)			
NAME			NAME OF GOVERNMENT AGENCY			
ADDRESS (Include ZIP Code)			GOVERNMENT PRIME CONTRACT NO. CONTRACTOR'S REFERENCE NO.			
If moneys payable under the contract have been assigned, give the following: NAME OF ASSIGNEE			EFFECTIVE DATE OF TERMINATION			
ADDRESS (Include ZIP Code)			PROPOSAL NO. CHECK ONE <input type="checkbox"/> INTERIM <input checked="" type="checkbox"/> FINAL			
SF 1439, SCHEDULE OF ACCOUNTING INFORMATION <input type="checkbox"/> IS <input type="checkbox"/> IS NOT ATTACHED (If not, explain below)						
<b>SECTION I - STATUS OF CONTRACT OR ORDER AT EFFECTIVE DATE OF TERMINATION</b>						
PRODUCTS COVERED BY TERMINATED CONTRACT OR PURCHASE ORDER (a)		FINISHED		UNFINISHED OR NOT COMMENCED		TOTAL COVERED BY CONTRACT OR ORDER (g)
		PREVIOUSLY SHIPPED AND INVOICED (b)	ON HAND PAYMENT TO BE RECEIVED THROUGH INVOICING (c)	INCLUDED IN THIS PROPOSAL (d)	TO BE COMPLETED (Partial termination only) (e)	
		QUANTITY				
		\$				
		QUANTITY				
		\$				
		QUANTITY				
		\$				
<b>SECTION II - PROPOSED SETTLEMENT</b>						
NO.	ITEM (a)	(Use Columns (b) and (c) only where previous proposal has been filed)		TOTAL PROPOSED TO DATE (d)	FOR USE OF CONTRACTING AGENCY ONLY (e)	
		TOTAL PREVIOUSLY PROPOSED (b)	INCREASE OR DECREASE BY THIS PROPOSAL (c)			
1	METALS					
2	RAW MATERIALS (other than metals)					
3	PURCHASED PARTS					
4	FINISHED COMPONENTS					
5	MISCELLANEOUS INVENTORY					
6	WORK-IN-PROCESS					
7	SPECIAL TOOLING AND SPECIAL TEST EQUIPMENT					
8	OTHER COSTS (from Schedule B)					
9	GENERAL AND ADMINISTRATIVE EXPENSES (from Schedule C)					
10	TOTAL (Items 1 to 9 inclusive)					
11	PROFIT (explain in Schedule D)					
12	SETTLEMENT EXPENSES (from Schedule E)					
13	TOTAL (Items 10 to 12 inclusive)					
14	SETTLEMENTS WITH SUBCONTRACTORS (from Schedule F)					
15	ACCEPTABLE FINISHED PRODUCT					
16	GROSS PROPOSED SETTLEMENT (Items 13 thru 15)					
17	DISPOSAL AND OTHER CREDITS (from Schedule G)					
18	NET PROPOSED SETTLEMENT (Item 16 less 17)					
19	ADVANCE, PROGRESS & PARTIAL PAYMENTS (from Schedule H)					
20	NET PAYMENT REQUESTED (Item 18 less 19)					
<small>(When the space provided for any information is insufficient, continue on a separate sheet.)</small>						
<small>AUTHORIZED FOR LOCAL REPRODUCTION Previous edition is unusable</small>				<small>STANDARD FORM 1435 (REV. 9-97) Prescribed by GSA - FAR (48 CFR) 53.249(a)(2)</small>		

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48 CFR Ch. 1 (10-1-10 Edition)

SCHEDULE A - ANALYSIS OF INVENTORY COST <i>(Items 4 and 6)</i>				
Furnish the following information (unless not reasonably available) for inventories of finished components and work-in-progress included in this proposal:				
	TOTAL DIRECT LABOR	TOTAL DIRECT MATERIALS	TOTAL INDIRECT EXPENSES	TOTAL
FINISHED COMPONENTS				
WORK-IN-PROGRESS				
NOTE: Individual items of small amounts may be grouped into a single entry in Schedules B, C, D, and G.				
SCHEDULE B - OTHER COSTS <i>(Item 8)</i>				
ITEM	EXPLANATION	AMOUNT	FOR USE OF CONTRACTING AGENCY ONLY	
SCHEDULE C - GENERAL AND ADMINISTRATIVE EXPENSES <i>(Item 9)</i>				
DETAIL OF EXPENSES		AMOUNT	FOR USE OF CONTRACTING AGENCY ONLY	
SCHEDULE D - PROFIT <i>(Item 11)</i>				
EXPLANATION		AMOUNT	FOR USE OF CONTRACTING AGENCY ONLY	

(Where the space provided for any information is insufficient, continue on a separate sheet.)

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[illegible]

[illegible]

## CERTIFICATE

This is to certify that the undersigned, individually, and as an authorized representative of the Contractor, has examined this termination settlement proposal and that, to the best knowledge and belief of the undersigned:

(a) AS TO THE CONTRACTOR'S OWN CHARGES. The proposed settlement exclusive of charges set forth in Item 14) and supporting schedules and explanations have been prepared from the books of account and records of the Contractor in accordance with recognized commercial accounting practices; they include only those charges allocable to the terminated portion of this contract; they have been prepared with knowledge that they will, or may, be used directly or indirectly as the basis of settlement of a termination settlement proposal or claim against an agency of the United States; and the charges as stated are fair and reasonable.

(b) **AS TO THE SUBCONTRACTORS' CHARGES.** (1) The Contractor has examined, or caused to be examined, to an extent it considered adequate in the circumstances, the termination settlement proposals of its immediate subcontractors (exclusive of proposals filed against these immediate subcontractors by their subcontractors); (2) The settlements on account of immediate subcontractors own charges are fair and reasonable, the charges are allocable to the terminated portion of this contract, and the settlements were negotiated in good faith and are not more favorable to its immediate subcontractors than those that the Contractor would make if reimbursement by the Government were not involved; (3) The Contractor has received from all its immediate subcontractors appropriate certificates with respect to their termination settlement proposals. The certificates are substantially in the form of this certificate, and the charges for them are not inflated beyond a reasonable amount; (4) The Contractor has received from its remote subcontractors (or (ii) that the charges for them are not inflated beyond a reasonable amount). Upon receipt by the Contractor of amounts covering settlements with its immediate subcontractors, the Contractor will pay or credit them promptly with the amounts so received, to the extent that it has not previously done so. The term "subcontractors," as used above, includes suppliers.

NOTE: The Contractor shall, under conditions stated in FAR 15.403, be required to submit a Certificate of Current Cost or Pricing Data (see FAR 15.406-2 and 15.408 Table 15-2).

NAME OF CONTRACTOR	BY <i>(Signature of authorized official)</i>	
	TITLE	DATE
NAME OF SUPERVISORY ACCOUNTING OFFICIAL	TITLE	